



Committed to the future of rural communities.

RURAL HOUSING PROGRAMS

RURAL HOME REPAIR LOAN AND GRANT PROGRAM

USDA Rural Development Rural Home Repair loans and/or grants are available to assist eligible, very low income homeowners with repair of their rural homes. Rural areas include open country and communities with a population of 20,000 or less including the communities of Columbus, Norfolk, and the Scottsbluff/Gering/Terrytown area. Repairs may be made to improve or modernize the home to make it safe and sanitary, or to remove health and safety hazards. Grants are only available for repairs to remove health or safety hazards.

Loan And Grant Purposes

Grant funds may only be used to pay costs for repairs and improvements that will remove identified health or safety hazards. Loan funds may be used to improve or modernize dwellings as well as for the removal of health or safety hazards. Dwellings repaired with loan or grant funds need not be brought to agency development standards or thermal performance standards, nor must all of the existing hazards be removed provided the dwelling does not continue to have major health or safety hazards after the planned repairs are made.

Authorized loan and grant purposes include but are not limited to the following:

- Installation or repair of sanitary disposal systems, together with related plumbing and fixtures, which will meet local health department requirements.
- Payment of reasonable connection fees, which may include assessments for utilities (i.e. water, sewer, electricity or gas) which are required to be paid by the applicant and which cannot be paid from other funds.
- Energy conservation measures such as:
 - ◆ Insulation.
 - ◆ Combination screen-storm windows and doors.
- Repair or replacement of heating system.
- Electrical wiring.

- Repair or replacement of roof.
- Replacement of deteriorated siding.
- Payment of incidental expenses such as surveys, title clearance, loan closing and architectural or other technical services.
- Necessary repairs to mobile/manufactured homes provided:
 - ◆ The applicant owns the home and site and has occupied the home prior to filing an application with USDA Rural Development.
 - ◆ The mobile/manufactured home is on a permanent foundation or will be put on a permanent foundation with USDA Rural Development funds.
A permanent foundation will be either:
 1. A full below grade foundation, or
 2. A home on blocks, piers or similar foundation with skirting and anchoring tie-downs.
 - ◆ The mobile/manufactured home is in need of repairs to remove health or safety hazards.
- Additions to dwellings with grant funds (conventional, manufactured or mobile) only when it is clearly necessary to remove health or safety hazards.
- Repair or remodel houses to make accessible and usable for handicapped or disabled persons.
- Other necessary repairs or replacement.

Maximum Loan Or Grant

- Maximum assistance outstanding to any individual for initial or subsequent Rural Development rural home repair loans may not exceed \$20,000.
- Lifetime assistance to any individual for initial or subsequent Rural Development rural home repair grants may not exceed a cumulative total of \$7,500.

Limitation on Use Of Loan/Grant Funds

Rural Development rural home repair loan or grant funds may not be used to:

- Assist in the construction of a new dwelling.
- Make repairs to a dwelling of such poor condition that when the repairs are completed, the dwelling will continue to be a major hazard to the safety and health of the occupants.
- Move a mobile/manufactured home from one site to another.
- Refinance any debt or obligation of the borrower/grantee.

Limitation On Use of Grant Funds

In addition, Rural Development rural home repair grant funds may not be used to make changes to the dwelling for cosmetic or convenience purposes, unless the work is directly related to the removal of hazards. Cosmetic and convenience changes may include, but are not limited to:

- Painting.
- Paneling.
- Carpeting.
- Improving clothes closets or shelving.
- Improving kitchen cabinets.
- Air conditioning.
- Landscape plantings.

Eligibility Requirements

Rural Development rural home repair applicants must meet the following requirements:

- A citizen of the United States.
- Possess legal capacity to incur the loan obligation.
- Owner and occupant of the dwelling to be repaired.
- Have an adjusted annual income that does not exceed the “very low income” limit as set by USDA Rural Development.
- Have a favorable credit history.
- Be unable to obtain the needed credit from other sources.
- Be unable to remove the safety or health hazards by utilizing personal resources.
- Have adequate repayment ability.
- For a Rural Development rural home repair grant only:
 - ◆ At least 62 years of age.
 - ◆ Lack repayment ability for a loan.

Evidence Of Ownership

Applicants must submit evidence of ownership of property to be improved.

Rates And Terms

- The interest rate for all Rural Development rural home repair loans is 1% per annum.
- Loan terms will not exceed 20 years and should be based on the borrower’s repayment ability.

Application

Application for Rural Development rural home repair assistance will be made on Form RD 410-4, “Application for Rural Assistance (non-farm tract) Uniform Residential Loan Application,” which is available at local USDA Rural Development offices.

Family Budget

Form RD 1944-3, “Budget and/or Financial Statement”, will be prepared by all Rural Development rural home repair applicants to verify repayment ability for a loan. It will also be used to justify whether the household qualifies for a grant. When determining repayment ability, the budget will consider and account for items such as:

- Non-cash benefits (food stamps, scholarships, free clothing, meals on wheels, free transportation, etc.) which help reduce the applicant’s budgeted expenses.

Credit Investigation

Credit reports, at no expense to the applicant, are required for loans exceeding \$7,500.

Verification Of Income

Income from employment will be verified by use of Form RD 1910-5, “Request of Verification of Employment”. Social Security (SS), Supplemental Security Income (SSI), social services, pension and other similar sources are included as income.

Cost Estimates

Written cost estimates will be required for all work to be performed.

For More Information

For more information contact your local USDA Rural Development Office or the USDA Rural Development State Office at:

USDA Rural Development
Attn: Rural Housing Division
Federal Building, Room 152
100 Centennial Mall North
Lincoln, NE 68508-3888
Phone: (402) 437-5571 (voice)
(402) 437-5093 (TDD)

National Office Web site: <http://www.rurdev.usda.gov/rhs>
Nebraska Rural Development Web site: <http://www.rurdev.usda.gov/ne>
Nebraska State Office Telephone Number: (402) 437-5551
Nebraska State Office Facsimile Number: (402) 437-5408
Nebraska State Office TDD Number: (402) 437-5093

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